

Should you purchase a new house, buy an existing property, or renovate your own? BY D.R. BOARDMAN

To build or not to build, that is the question! Of course, Hamlet inherited the family castle in Denmark, so he never had to face a *real* dilemma—whether to build a new home or buy an existing one.

We talked with several experts to get both sides of the issue. Jane and Nathan Barbour, of Barbour Real Estate, build new homes and also sell real estate through their Morrisville company. According to Jane Barbour, finding a place to build is the first part of the decision-making process.

“Finding the perfect lot is a real challenge, especially when you’re trying to find a lot that is economical,” she says. “With building lots averaging \$60,000 in Lamoille County, for instance, this one factor can make or break the decision. In the 1980s and 1990s, if someone could not find a home to purchase, we’d say, ‘Let’s talk about building!’ That’s not such an easy option anymore.”

The upside of building

In considering a new home, there are still several advantages, according to the Barbours. New homeowners can determine the amount, size and location of bedrooms and baths (and other rooms, of course). New homes also come with a minimum one-year builder warranty and must follow the Vermont Energy Code Guidelines. This might not seem like a big deal, but the savings can add up, adds Jane Barbour.

“With a new home, the clock has just started ticking in terms of longev-



ity for appliances, roof, and heating system, while existing homes come with a myriad of dates. You might end up with a new roof and an old furnace, for example, and without the warranty, the buyer is usually on his or her own if a problem arises,” she says.

As an interior designer who has worked for several years on both sides of the “build or buy” issue, Michelle Holland, of Holland and Mackie Interiors in Shelburne, was prepared—but never thought she’d end up doing both. First came the new construction, when she and her husband, Tucker, found a nice lakeview lot near Shelburne Farms and decided to build a home.

“The upside of building a home is getting exactly what you want: dimensions customized to your belongings, finishes that suit your tastes, and spaces that work for your lifestyle. You have the freedom to make your home an expression of yourself,” says Holland.



Michelle Holland and her husband, Tucker, found a lakeview lot near Shelburne Farms and hired Birdseye Building Company to create this fabulous custom home.

That’s assuming you survive the red tape, she adds. “The building process is inherently long, often overwhelming and potentially risky. If there are zoning and approval issues with which to contend, the procedure can be even more unpredictable. We went through

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an Act 250 subdivision and were very fortunate to have things go smoothly. This was in part due to much diligence on our end and the efforts of professionals we hired to help us through the process,” says Holland.

As for cost? Holland found that some old myths are true. “The stereotype, that building a home always costs twice as much and takes twice as long, is a stereotype for a reason. You can do your best to create a budget and timeline, but unfortunately, it is sometimes impossible to anticipate what is going to present itself. Plans may get stuck in approvals. Material costs may rise. Your contractors could go out of business. Property values may fall. In our case, the price of fuel and materials rose steeply as a result of Hurricane Katrina,” she says.

Having gone through it once, would they venture into homebuilding again? Holland says yes, with reservations. “We had a favorable building experience. It’s likely we may build again, improving on everything we learned the first time. Yet, I do not think building is for everyone. It requires patience, flexibility and discipline. You need to go into the process with eyes (and check-book) open,” says Holland.

The upside of buying

If building a home was Act One in the Holland family saga, Act Two involved a change of scenery. A few years after building their dream home, Holland and her husband found a quaint existing house in Queen City Park, minutes from Church Street in Burlington. The house was directly across the bay from their new place, and this home was already situated on the water. Trading a lake view for lake frontage by buying an older home presented a different set of issues, both positive and negative.

“When acquiring an existing house, the overarching benefit is the peace of mind that comes with investing in a known entity. You also have the benefit of historical taxes, energy bills and homeowner’s fees to review, so there should be no hidden costs,” she says.

Another plus to buying an exist-



Holland later sold her new home to buy this older house, which is right on the lake.

ing home, according to Holland, is the fact that you also get a built-in community that comes with it. Often, no new construction can take place around you, which guarantees any views or privacy—and in this case, the Hollands ended up in a historic lakeside neighborhood with loads of character.

“The biggest downside when buying a house is that concessions are inevitable. The challenge is to make the existing footprint and finishes work. It seems every home buyer has a renovation wish list,” she says.

Work with what you have

Renovating your current home—a third option? At Parker and Stearns, one of the largest building supply companies in northern Vermont, Howard Duchacek is head of contractor sales, and he says the balance between renovations and new building is holding steady.

“We have seen about the same number of quotes this year as we did last year, and not a perceptible shift. It’s still a mix of both new buildings and renovations,” says Duchacek.

According to him, materials for either run at about \$28 per square foot. For the completed job, you’re looking at an average between \$85 to \$100 per square foot. “If you can get the job done in under \$100, you’re doing well,” he adds.

Peg Smith of Carlson Real Estate in Stowe considers renovation “an excellent option,” especially if you want to raise the value of your existing home. “There is no set rule about how much, on average, it can raise the value of a home, because it varies with the level

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and amount of renovation people do,” she says. “A \$10,000 kitchen can raise a home value anywhere from \$10,000 to \$20,000. A bathroom renovation which might cost \$5,000 can add value of \$5,000 to \$8,000. On the other hand, if the renovation is done without professional help, it could devalue the property.”

Smith uses the example of a 1970s house owned by the original couple. They might redo the kitchen, only to find out that their choice of appliances, cupboards and countertops are not to the style of today’s buyer. The money would be wasted. This is where professionals are essential to any homeowner who wishes to improve their property for sale. “In most cases, with help from architects and builders, they can transform an existing home into something more valuable,” she says.

As for building a new home, it depends on the individual, adds Smith.

“Sometimes there is better value in an existing home, because it offers what they are looking for in a parcel of land. To get the same thing on a raw piece of land would cost far more,” she says. “It’s important to evaluate what your clients really want. Some people find the thought of building a challenge, and are interested in putting their creative talents to work. On the other hand, a lot of people are overwhelmed by construction and are better looking at existing homes.”

Maybe Shakespeare himself was once faced with this decision. It sounds like it—as he says in *Henry IV*:

“When we mean to build, we first survey the plot, then draw the model... then we must rate the cost...which if we find outweighs ability, what do we do then but draw anew...or at last desist to build at all?”

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D.R. Boardman is an award-winning writer and a regular editorial contributor to Vermont Magazine. Boardman owns a modest Cape home with a 15-year mortgage in Johnson with his wife, Jacqueline, and their two golden retrievers—Tully and Fergus.